



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 3/10/2009

GAIN Report Number: TH9034

Thailand

Grain and Feed

Weekly Rice Price Update

2009

Approved by:

Gary Meyer, Agricultural Counselor
U.S. Embassy

Prepared by:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

High Thai rice prices kept the domestic and export market quiet this past week with few enquiries from foreign buyers. The majority of current shipments come from white rice released from intervention stocks last November. The National Rice Policy Committee will set the intervention prices in the meeting this week and the program will target 2.5 million tons of paddy. Exporters are doubtful there will be another intervention stock release until in May as demand is weak.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Mar. 9):

| Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.) | | | | | | | | | |
|---|-----------------------|-----|-----|----|-----|-----|-----|-------------|------|
| | Exporter Observations | | | | | | | Period Avg. | |
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| F WR 100 B | 860 | 870 | 870 | - | 870 | 830 | - | 860 | 862 |
| WR 100 B | 610 | 635 | 630 | - | 635 | 595 | 610 | 619 | 620 |
| PB 5% | - | - | 650 | - | 635 | 625 | 600 | 628 | 630 |
| WR 5% | 585 | 605 | 600 | - | 600 | 565 | 590 | 591 | 592 |
| WR 10% | 550 | - | - | - | - | 558 | - | 554 | 557 |
| WR 15% | 510 | - | - | - | - | 530 | - | 520 | 523 |
| WR 25% | 480 | - | - | - | - | 470 | - | 475 | 475 |
| WR 35% | - | - | - | - | - | - | - | - | - |
| A 1 SUP | 325 | 340 | - | - | 330 | 330 | - | 331 | 333 |
| A 1 SPEC | - | - | - | - | - | - | - | - | - |
| Source: Average actual prices received from exporters, Exchange rate: 36.0 baht/U.S.\$ | | | | | | | | | |

Market Tone

High Thai rice prices kept the domestic and export market quiet this past week with few enquiries from foreign buyers. The majority of current shipments come from white rice released from intervention stocks last November. Exporters anticipate prices will likely remain high due to the anticipated high intervention prices of the MY2008/09 second-crop intervention program which begins on March 16. The National Rice Policy Committee will set the intervention prices in the meeting this week and the program will target 2.5 million tons of paddy. Currently, intervention prices are proposed at 11,000 – 13,000 baht/ton (\$306 - \$361/MT) which is 10-30 percent higher than current market prices. In addition, exporters are doubtful there will be another intervention stock release until in May as demand is weak.

According to a recent government rice stock inspection, outstanding stocks totaled 4.2 million tons (including milled paddy from current MY 2008/09 main-crop), of which approximately 1.5 million tons are old-crop intervention stock (mostly MY2007/08 second crops). The MY2008/09 main-crop intervention program totaled approximately 6.0 million ton of paddy, of which 3.0 million tons are white rice paddy, and around 2.0 million tons are fragrant rice paddy, and the balance are glutinous and Pathumthani rice paddy.

The following are the reported rice exports (as is basis):

| WEEK ENDING | QUANTITY | 4-WK AVG | YEAR TO DATE | YEAR AGO | YEAR TO DATE AS % OF LAST YEAR |
|----------------|----------|----------|-----------------|----------|---|
| | (MT) | (MT) | (TMT) | (TMT) | % |
| Jan 4 | 3,295 | - | 3 | 58 | -94.3 |
| Jan 11 | 87,324 | - | 91 | 220 | -58.9 |
| Jan 18 | 127,646 | - | 218 | 379 | -42.2 |
| Jan 25 | 141,973 | 90,060 | 360 | 557 | -35.3 |
| Feb 1 | 73,513 | 107,614 | 434 | 739 | -41.3 |
| Feb 8 | 116,472 | 114,901 | 550 | 915 | -39.9 |
| Feb 15 | 113,467 | 111,357 | 664 | 1,110 | -40.2 |
| Feb 22 | 122,972 | 106,606 | 787 | 1,293 | -39.2 |
| Mar 1 | 95,657 | 112,142 | 882 | 1,493 | -40.9 |
| Mar 8 | 100,463 | 108,140 | 983 | 1,680 | -41.5 |

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Mar. 2-8, 2009 totaled 100,463 tons, up 4,806 tons from the previous week, and down 7,677 tons from the four-week moving average of 108,140 tons. Exports during Jan. 1- Mar. 8 totaled 982,784 tons, as compared with 1,680,345 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Mar. 6, 2009, amounted to 1,440,116 tons, down 37.1 percent from 2,287,561 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Feb. 16-20, Feb. 23-27, and Mar. 2-6, 2009 are as follows:

| Movement (MT) | Feb. 16-20 | Feb. 23-27 | Mar. 2-6 |
|--------------------|------------|------------|-----------|
| Weekly sales | 142,088 | 160,691 | 84,054 |
| 4 week sum | 508,130 | 560,121 | 561,203 |
| 4 week mov. avg. | 127,032 | 140,030 | 140,301 |
| Total weekly sales | 941,654 | 1,102,345 | 1,186,399 |

End of Report.